



FORCED LABOR

· U.S. Customs and Border Protection (CBP) is seeing many attempts by companies to evade the requirements of the Uyghur Forced Labor Prevention Act (UFLPA), according to Eric Choy, Executive Director for Trade Remedy and Law Enforcement, at a recent forum. Common strategies include changing company names and locations, port shopping, and obfuscation in documentation. Mr. Choy stressed the need for CBP to trace commodity flows out of China to combat the problem.

· In [May](#), CBP stopped 460 shipments valued at more than \$197 million for examination based on the suspected use of forced labor. This compares to 377 shipments valued at more than \$159 million in [April](#).

· CBP has [detained](#) 4,269 imports valued at over \$1.39 billion under the UFLPA from June 21, 2022 through May 2023, with more than \$40 million in goods denied entry.

· The European Center for Constitutional and Human Rights has [filed](#) a complaint with German authorities against BMW, Mercedes-Benz, and Volkswagen, alleging they failed to take appropriate measures to identify, prevent, and remediate raw materials and components in their supply chains that are mined or produced by forced labor in the Xinjiang Uyghur Autonomous Region of China in violation of the German Supply Chain Act.

· The Canadian government has launched [investigations](#) into whether Nike Canada and Dynasty Gold used or benefitted from the use of Uyghur forced labor. The investigations were triggered by complaints filed by civil society organizations that cited reports by the Australian Strategic Policy Institute (ASPI) and Sheffield Hallam University.

· Contact [Sean Murray](#) or [Brian Murphy](#) with forced labor questions.

TEMU FORCED LABOR

According to an investigation and [report](#) by the House Select Committee on China, Chinese web retailer TEMU is not properly screening for potential violations of the Uyghur Forced Labor Prevention Act. Many of its imports are under the \$800 *de minimis* threshold.

SECTION 321 DE MINIMIS BILLS

Bills have been introduced in the

FALL 2023 FIRM SEMINARS

Fall training seminars will be conducted by webinar only.

- FTZ 101 – October 10-12
- FTZ 201 – October 17-19
- I/E 101 – November 7-9
- I/E 201 – November 14-16

More detailed information is posted to our website at www.millercoco.com. To register, visit our website or contact [Kelley Randol](#). Webinars are offered to Miller & Company clients only.

FTZ BOARD REGS

The firm submitted detailed comments on the Foreign-Trade Zones (FTZ) Board's [proposed](#) revisions to its regulations. The firm's comments may be reviewed [here](#). Contact [Marshall Miller](#) with questions.

FTZ RENEWABLE FUELS

After approving a Production Notification for renewable fuels for Par Hawaii Refining, LLC, in April, the FTZ Board recently denied similar Production Notifications for a Valero FTZ in Louisiana and a Phillips 66 FTZ in California. In the Notification our firm prepared for Par, we explained that Par's only option for obtaining the necessary raw materials was importing high-duty foreign product. Both Valero and Phillips now have the option to file a much more comprehensive Production Application. Contact [Marshall Miller](#) with questions. 88 [Fed. Reg. 42686](#) (July 3, 2023) (Valero); 88 [Fed. Reg. 43271](#) (July 7, 2023) (Phillips).

WCO SECRETARY GENERAL

Ian Saunders, the U.S. candidate and current Deputy Assistant Secretary at the U.S. Department of Commerce International Trade Administration, has been [elected](#) the next Secretary General of the World Customs Organization. Mr. Saunders will begin his five-year tenure at the 185-country member organization on January 1, 2024.

APHIS HTSUS FLAGGING

The Animal and Plant Health Inspection Service (APHIS) has announced that it expects to begin changing AQ3 flags to the new AQX flag in the ACE production environment on August 21. The AQX flag is to alert filers that products in a

FDA IMPORT DATA & FTZ WEF

The Food and Drug Administration (FDA) has requested comments on data elements collected when FDA-regulated articles are imported or offered for import. The FDA information request includes foreign-trade zone (FTZ) Weekly Entry Filings (WEF). This is an opportunity for importers of FDA-regulated articles to request rationalization or elimination of import data requirements and expansion of current FDA WEF product scopes, which have been limited by the FDA Centers. We recommend that all FTZ clients with FDA regulated merchandise file comments, which are due by July 28. Contact [Sean Murray](#) with questions or for assistance with comments. 88 [Fed. Reg. 41964](#) (June 28, 2023).

CUSTOMS LAW UPDATES

As indicated in June Briefings, four U.S. Senators invited comments on revisions to U.S. customs laws. The firm submitted comments covering the in-bond system, partner government agencies ("single window"), foreign-trade zones, and CBP resources. The firm's comments may be reviewed [here](#).

FIVE EYES EXPORT CONTROLS

On June 28, the Bureau of Industry and Security (BIS) [announced](#) that the U.S. would start formally coordinating export controls enforcement with its "Five Eyes" partners Australia, Canada, New Zealand, and the United Kingdom. The coordination will include detentions, penalties, and identifying diversionary efforts.

USMCA BLANKET CERTS

Media reports indicate that Ford, GM, and Honda will change their blanket coverage period for U.S.-Mexico-Canada Agreement (USMCA) certifications to the calendar year, beginning in 2024 for GM and Honda and in 2025 for Ford. Any clients issuing or relying on USMCA blanket certificates of origin – particularly those in the auto industry – who are not on a calendar year basis are encouraged to consider changing. Contact [Brian Murphy](#) with questions.

CBP REIMBURSABLE SERVICES

CBP has [announced](#) the tentative selection of companies for the Reimbursable Services Program (RSP) from the first evaluation group

Senate ([S. 2004](#)) and [House](#) to exclude products from nonmarket economies (including China) and countries on the U.S. Trade Representative priority watch list from Section 321 *de minimis* treatment, require article description, HTSUS classification, country of origin, value, shipper, and importer, on Section 321 entries, and authorize Treasury to prohibit use of Section 321 for articles imported by suspended or debarred persons.

SECTION 232 DUTIES

· U.S. Trade Representative Katherine Tai will [meet](#) with European Commission Executive VP Valdis Dombrovskis on July 20-21 to continue negotiations on a Global Arrangement on Sustainable Steel and Aluminum that would replace the Section 232 additional duties. The U.S. and EU previously committed to reaching an agreement by October 2023.

· BIS has sent a [Final Rule](#) on revisions to the Section 232 steel and aluminum tariff exclusion process for interagency review.

FDA POE CHANGES

The FDA has announced filers may change Port of Entry (POE) via ACE, beginning July 15, without the need for entry cancellation. CSMS [#56706605](#) (June 21, 2023).

FDA FSVP AUDITS

The FDA has [issued](#) revised industry guidance that continues its COVID-19 pandemic exception from most foreign on-site audit requirements under the Foreign Supplier Verification Program (FSVP) for imported human and animal food when COVID-19 related restrictions prevent the audit and other verification activity is performed.

AG IMPORT TRIGGER LEVELS

The U.S. Department of Agriculture (USDA) has published updated quantity-based trigger levels for products that may be subject to additional import duties under the safeguard provisions of the WTO Agreement on Agriculture. This potentially impacts certain milks, infant formulas, sugars, ice cream, mixes and doughs, and many other products. 88 [Fed. Reg. 39392](#) (June 16, 2023).

EU DEFORESTATION

European Union (EU) [regulations](#) on deforestation products took effect on June 29, requiring proof that targeted products sold in the EU are "deforestation-free" and covered by a due diligence statement. The primary obligations are not applicable until December 2024. Affected goods include cattle, cocoa, coffee, palm oil, rubber, soya, and wood, and products derived therefrom.

flagged HTSUS classification may require the submission of APHIS Core Message Set data. CSMS [#56966260](#) (July 14, 2023).

APHIS PLANTS & ACE

Beginning August 7, APHIS will start issuing ACE messages to filers from the APHIS Agricultural Risk Management system to manage APHIS inspections of APHIS-regulated goods at plant inspection stations (PIS). "May Proceed" notices will be issued after inspections are completed. CSMS [#56938140](#) (July 12, 2023).

MEDICAL SUPPLY CHAIN BILL

Senate Finance Trade Subcommittee Chair Tom Carper (D-DE) and Senator Thom Tillis (R-NC) have [introduced](#) the "Medical Supply Chain Resiliency Act" ([S. 2115](#)). It would authorize the President to initiate trade negotiations with "trusted trade partners" to combat medical product shortages, boost supply chain resiliency, and prevent future healthcare crises.

DIALYSIS CARTRIDGES/BAGS

CBP has revoked two rulings on the classification of sodium bicarbonate cartridges/bags. CBP determined that the cartridges and bags, which are specifically for use with dialysis machines, are correctly classified in HTSUS subheading 3004.90.92 instead of subheading 2836.30.00. 57 [Cust. B. & Dec. 1](#) (June 21, 2023).

FENTANYL

· The Department of Justice has [announced](#) the arrest of two individuals and the unsealing of three indictments that charge China-based companies and their employees with knowingly manufacturing, selling, and supplying precursor chemicals for fentanyl production in the U.S.

· The Office of Foreign Assets Control (OFAC) has added 10 people and one company, REI Compania International, to the Specially Designated Nationals ([SDN](#)) [List](#) based on their involvement in Mexican drug trafficking, including precursor chemicals used in fentanyl. OFAC states that REI regularly receives chemical shipments from China. 88 [Fed. Reg. 45453](#) (July 17, 2023).

ENDANGERED SPECIES

The Fish and Wildlife Service has proposed reinstating its "blanket rule" option for protecting newly listed threatened species under section 4(d) of the Endangered Species Act. The scope includes imports and exports. Comments are due by August 21. 88 [Fed. Reg. 40742](#) (June 22, 2023).

of 2023. The RSP allows companies to enter agreements with CBP to provide new or supplemented CBP services at their facilities. Please contact [Marshall Miller](#) with questions.

GREEN TRADE AGENDA

On July 11, CBP held a Green Trade Innovation and Incentives [Forum](#) to promote and share green trade innovation, sustainable supply chains, environmental stewardship, and decarbonization in international trade. Acting CBP Commissioner Troy Miller noted agency plans to increase enforcement efforts targeting illegal logging and fishing practices.

CLIMATE EXPORT CONTROLS

The International Trade Administration has extended to July 28 the deadline for public comments on the export of climate adaptation and resilience-related technologies and services. 88 [Fed. Reg. 42043](#) (June 29, 2023).

TOY CLASSIFICATIONS

CBP has ruled that motor control boards and electronic speed controllers designed for radio-controlled (R/C) quadcopters, boats, and aircraft are properly classified as speed drive controllers for electric motors in HTSUS subheading 8504.40.40 (1.5%) applying General Rule of Interpretation (GRI) 1, rather than as duty-free toys in Heading 9503, reasoning in part that the R/C vehicles include "more advanced" and "more sophisticated" features than toys and are described in instruction manuals as "not toys." HQ [H287055](#) (April 5, 2023).

CWC CHEMICAL REPORTING

BIS has issued a Final Rule, effective July 3, that reduces the concentration threshold for mixtures containing Chemical Weapons Convention Schedule 2A chemicals from 30% to 10%. Declaration and reporting requirements are also changed accordingly. 88 [Fed. Reg. 42615](#) (July 3, 2023).

HOSTAGE SANCTIONS REGS

OFAC has published a Final Rule to implement the Hostages and Wrongful Detention Sanctions Regulations (31 C.F.R. Part 526), which are aimed at terrorist organizations and criminal groups who take hostages. 88 [Fed. Reg. 44052](#) (July 11, 2023).

FTZ STATISTICS

FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 7/15/2023

Zones	Approved
Subzones*	301
	883
	Pending
Zones	1
Subzones	7
Misc.	33

*From [Fed. Reg. Notices](#)

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